Federal Communications Commission 445 12<sup>th</sup> St., S.W. Washington, D.C. 20554

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> DA 15-1080 September 25, 2015

## DOMESTIC SECTION 214 APPLICATION FILED FOR THE ACQUISITION OF ASSETS OF DIXON TELEPHONE COMPANY BY DIXON ACQUISITION, LLC

## NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 15-207

Comments Due: October 9, 2015

Reply Comments Due: October 16, 2015

Dixon Telephone Company (Dixon Telephone) and Dixon Acquisition, LLC (Dixon Acquisition) (together, Applicants) filed an application pursuant to section 214 of the Communications Act of 1934, as amended (Act), seeking approval to transfer the assets of Dixon Telephone to Dixon Acquisition.<sup>1</sup>

Dixon Telephone, an Iowa corporation, is an incumbent local exchange carrier (LEC) providing services to the communities of Dixon and Big Rock, Iowa. Dixon Telephone services approximately 350 voice customers and less than 500 cable television and Internet access customers.

Dixon Acquisition is a newly formed Iowa limited liability company created for the purpose of acquiring the assets of Dixon Telephone and does not currently provide telecommunications services. Dixon Acquisition is a wholly owned subsidiary of Central Scott Telephone Company, an Iowa corporation, which serves as an incumbent LEC to approximately 3,700 customers in the communities of Eldridge, Park View, Long Grove, Donahue, McCausland, and northern Scott County, Iowa. Central Scott, through its subsidiary CS Technologies, Inc., also provides competitive LEC services to approximately 2,000 business customers in Davenport, Bettendorf, and Dubuque, Iowa and in Rock Island and Moline, Illinois. Central Scott is a wholly owned subsidiary of Lynch Telephone Corporation IX, which is a wholly owned subsidiary of Brighton Communications Corporation, which is, itself, a wholly owned subsidiary of LICT Corporation (LICT). LICT is a publicly traded corporation that owns controlling interests in other independent incumbent LECs located in the states of New Hampshire, California, Oregon, Utah, Wisconsin, Kansas, Michigan and New Mexico, as well as competitive LECs with operations located in Oregon, California, Michigan, New Mexico, Kansas, and Utah. Applicants state that MJG 1999 Descendants Trust owns 27.07 percent of LICT, and that John Gabelli, a U.S. citizen,

<sup>&</sup>lt;sup>1</sup> 47 C.F.R § 63.03; *see* 47 U.S.C. § 214. Applicants are also filing applications for the transfer of control of international and wireless services. Any action on this domestic section 214 application is also without prejudice to Commission action on other related, pending applications.

<sup>&</sup>lt;sup>2</sup> See Letter from Howard Hunt, Counsel to Dixon Telephone Co., to Marlene H. Dortch, Secretary, FCC, WC Docket No. 15-207, at 1-2, (filed Sept. 17, 2015) (Applicants' Sept. 15 Supplement) (listing twenty-three incumbent LECs and competitive LECs that LICT directly or indirectly controls through intermediate holding companies).

is the Trustee.<sup>3</sup> They further state that Mario J. Gabelli, a U.S. citizen and Chief Executive Officer of LICT, may direct an approximate 12.69 percent interest in LICT.<sup>4</sup>

Pursuant to the terms of the proposed transaction, Dixon Acquisition will acquire substantially all of the assets of Dixon Telephone. Although Applicants request streamlined processing, the application is subject to non-streamlined treatment because the Applicants and their affiliates have overlapping service territories.<sup>5</sup>

Domestic Section 214 Application Filed for the Acquisition of Assets of Dixon Telephone Company by Dixon Acquisition, LLC, WC Docket No. 15-207 (filed August 27, 2015).

## **GENERAL INFORMATION**

The transfer of control identified herein has been found, upon initial review, to be acceptable for filing as a non-streamlined application. The Commission reserves the right to return any transfer application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 CFR § 63.03(a), interested parties may file comments **on or before October 9, 2015**, and reply comments **on or before October 16, 2015**. Pursuant to section 63.52 of the Commission's rules, 47 C.F.R. § 63.52, commenters must serve a copy of comments on the Applicants no later than the above comment filing date.

Pursuant to section 63.03 of the Commission's rules, 47 CFR § 63.03, parties to this proceeding should file any documents in this proceeding using the Commission's Electronic Comment Filing System (ECFS): http://apps.fcc.gov/ecfs/.

## In addition, e-mail one copy of each pleading to each of the following:

- 1) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, <a href="mailto:tracey.wilson@fcc.gov">tracey.wilson@fcc.gov</a>;
- 2) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, greg.kwan@fcc.gov;
- 3) David Krech, Policy Division, International Bureau, david.krech@fcc.gov;
- 4) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

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<sup>&</sup>lt;sup>3</sup> See Applicants' Sept. 15 Supplement at 1-2 (stating that MJG Trust, as the holder of 27.07 percent of LICT, has a greater than 10 percent indirect interest is the telecommunications carriers owned and controlled by LICT); see also, supra n. 3.

<sup>&</sup>lt;sup>4</sup> All entities are U.S-based. Applicants state that the Estate of Mr. Ralph Berodt, who was a U.S. citizen, owns 11.11 percent of Dixon Telephone immediately preceding and following the transaction.

<sup>&</sup>lt;sup>5</sup> 47 C.F.R. § 63.03(c); see also Applicants' Sept. 15 Supplement at 2.

The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's ex parte rules. Persons making ex parte presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral ex parte presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the ex parte presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during ex parte meetings are deemed to be written ex parte presentations and must be filed consistent with rule 1.1206(b), 47 C.F.R. § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's ex parte rules.

For further information, please contact Tracey Wilson at (202) 418-1394 or Greg Kwan at (202) 418-1191.